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Progress in the implementation of the Programme of Action for the Sustainable Development of Small Island Developing States

Report of the Secretary-General

Addendum

Sustainable tourism development in small island developing States*

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I. Progress achieved in the implementation of sustainable tourism development in small island developing States

1. Tourism is often identified as a promising growth sector in small island developing States. It offers one of the few opportunities for economic diversification in very small islands. It has many linkages with other economic sectors, and if integrated into national development plans with adequate provisions for intersectoral linkages, it can contribute to the growth of all tourism-related activities in all of the major economic sectors — agriculture, including fishing, industry and services, including transportation. Currently, the extent of tourism activities in small island developing States varies widely between geographical regions, as well as among countries within regions. Likewise, the economic benefits derived from tourism are diverse. In some small island developing States, tourism has become the major contributor to gross domestic product (GDP), while in others it is still relatively undeveloped (see annex III).

2. On a regional level, in the Mediterranean, Malta and Cyprus are outstanding mature destinations and are already facing a certain tourism saturation. This is also the case of the Bahamas, Cuba, the Dominican Republic and Jamaica in the Caribbean. In the latter region, many islands are rethinking their future strategies in a tourism sector that has entered its mature stage and has become one of the economic pillars in the region, in many cases contributing more than one third of gross national product (GNP). In Asia and the Pacific, tourism is attaining significant levels in the small island States of Fiji, Vanuatu, Papua New Guinea, Samoa, the Cook Islands and Maldives but is encountering developmental difficulties in some, such as Kiribati, Tonga and Tuvalu. In the African region, while Seychelles and Mauritius have revised their policies to raise the quality of their tourism product, other islands, such as Sao Tome and Principe, Cape Verde and the Comoros, are seeking to strengthen their own tourism development programmes.

3. The main objectives of the promotion of tourism as a growth sector are to accelerate the growth of national incomes, gainful employment, foreign exchange earnings and government tax revenues. A thorough evaluation of the contribution of tourism in small island developing States with respect to these parameters is currently hampered by the incompleteness of data. In view of the constraints faced by small island developing States in promoting exports of goods in an increasingly competitive and fast-changing international economy, by and large those States are giving increasing importance to tourism as a way of raising their foreign exchange earnings. Tourism creates employment directly in the tourism industry, as well as in industries providing goods and services to the tourism industry. Current data, however, is not available on the overall contribution of tourism to employment in small island developing States.

4. In spite of the constraints encountered, many small island developing States have established initiatives to balance tourism activities with broader economic, social and environmental objectives at the regional, national and local levels. In particular, major efforts have led to (a) the strengthening of regional cooperation on strategies, standards and capacity-building for tourism, with the assistance of international institutions, the private sector and non-governmental organizations in the area of human and institutional capacity-building; (b) increased use of user charges, particularly for environmental protection; (c) formulation of integrated national action plans, strategies and policies which include tourism, in particular its environmental aspects; (d) the establishment of frameworks that allow local communities to participate and have greater control over tourism development in their localities. A summary of major initiatives taken by a number of small island developing States to achieve sustainability of the tourism sector is annexed to the present report, by location (annex I) and by target area (annex II).

II. Constraints encountered to sustainable development of tourism

5. A necessary requirement for the pursuit of sustainable tourism development is an effective legislative framework. Despite progress in the enactment of environmental legislation, its effectiveness continues to be impaired by weaknesses in the institutional frameworks for enforcing legislation, lack of standardization of legislation and the obscurity of regulations.

6. The relatively larger small island developing States have the human resources potential to support a number of economic sectors viably, and thus to benefit from linkages of those sectors with the tourism sector. The smaller ones, however, do not have such potential, and will therefore have to be more reliant on imports to meet the material demands of the tourism sector. Other things remaining equal, the net benefits — i.e., domestic value-added per visitor — derived by the smaller islands from tourism will be relatively smaller.

7. Most small island States face the persistent problem of inadequate supply of trained manpower, particularly in government agencies responsible for the implementation and monitoring of standards and environmental regulations in tourism. The shortage of skilled human resources is compounded by the dispersion in some States of responsibilities among several government agencies.

8. The majority of small island developing States suffer from a lack of local capital for bulky investments, and in many cases the absence of a significant local entrepreneurial class. The financing required for the development of the tourism sector is therefore obtained largely through foreign investment. Special efforts are made by Governments of small island developing States to attract foreign capital through the provision of tax concessions, tax holidays, building concessions and other incentives to foreign investors, which reduce the tourism incomes accruing to small island developing States.

9. The main physical infrastructural requirements for tourism development include the following: effective transportation facilities, including airports and air and/or sea carrier links; reasonably good road networks; telecommunication links; reliable energy supply systems; freshwater supply systems; accommodation facilities; restaurants and entertainment sites. For many small island developing States, the inadequacy of those infrastructures is an obstacle to the development of the sector.

III. Emerging trends, problems and adverse impacts

10. According to estimates of the World Tourism Organization (WTO), the number of tourists can be expected to grow by 300 per cent (mean annual growth of 4.3 per cent) and international tourism earnings can be expected to grow by 500 per cent (mean annual growth of 6.7 per cent) over the next 21 years to 2020 (see Pratz (1998)). Based on 1995 data, regional projections indicate that small island developing States will also benefit from the global growth in tourism. In the wider Caribbean, travel and tourism output is projected to grow at an annual average rate of 3.6 per cent in real terms up to 2005 and to create 2.7 million jobs. A similar trend is expected for Asia and the Pacific. The region as a whole is projected to be the fastest growing area in world tourism activities up to the year 2005. The annual average real rate of growth of travel and tourism output in the region is estimated at 8.0 per cent up to 2005. In the African region, Mauritius and Seychelles have planned for further growth but have opted for up-market tourism. In Malta and Cyprus, the rate of growth of tourist arrivals has slowed down in the recent past. A second discernible trend that will shape tourism development in small island developing States in coming years is the growing interest in and demand for specialty tourism.

11. Sudden, rapid development of tourism can cause significant social disruptions in small island States. Pressures are exerted on households and communities by the upward pressure on land prices, and on prices of foodstuffs and household items. Among other things, potential long-term effects could be a reduction in the living standards of high proportions of island populations and a sense of alienation brought about by their lack of access to limited land resources. Tourism is a labour-intensive activity that does not require a high level of specialization, and if well managed and of the proper size, it may exert a strong attractive force on the rest of the island's economic system, including conservation of certain traditional activities, such as agriculture and fishing, and preservation of island's cultural heritage and natural assets.

12. But if it is not adapted to local characteristics or if it exceeds carrying capacity, tourism may generate a number of adverse impacts: polarization of islands' economic systems, with the risk of overemphasis on that single sector to the detriment of other strategically important economic activities; demographic imbalances and cultural tensions induced by disproportionate tourist-to-resident ratios and external labour migrations; and deterioration of the environment due to increased human pressure on the natural environment, local resources, and terrestrial and marine biodiversity.

13. The fragile ecosystems of small island States and their generally more limited scope for pursuing alternative development strategies make concerns for the environmental impact of tourism very acute, particularly because the sector, which is almost totally dependent on the natural environment, is viewed by many small island developing States as a fast route to social and economic development. The principal tourism-related environmental difficulties confronting small island developing States are several. The environmental impacts of tourism are attributable to the development of tourism infrastructures and facilities and to the impacts of tourists' activities. Rising prices of building land increase the pressure to build on agricultural land and land under forest cover. Deforestation and intensified or unsustainable use of land cause erosion and loss of biological diversity.

14. Examples abound of damages caused by the disposal of untreated effluents into surrounding areas of land and sea.

Pollution of scarce inland freshwater resources is one such example. The loss of valuable marine life, the destruction of coral reefs and the siltation and erosion of coastal beaches, on which island tourism highly depends, are others. Pollution from ship-generated wastes is also a major cause for concern for small island developing States. Waste management and waste-water treatment are becoming critical issues since wastes are produced in increased quantities and there is not sufficient land to locate adequate treatment facilities. Inadequate treatment has major effects on various economic sectors, in particular fisheries and tourism.

15. Tourism as a mainly coastal development has already had a number of adverse impacts on small island developing States. In Mauritius, Seychelles, Malta, Cyprus and several islands in the Caribbean, the previously unchecked construction of tourism facilities along their coastlines resulted in the despoliation of much of the originally pristine beauty of these areas, and in the degradation of rich coastal resources in the form of fisheries, coral reefs, mangrove forests, sea beds and dune systems.

16. Another serious problem is the inadequacy of water supply. This is most severe in the low-lying atolls that have little opportunity for surface-water catchment and storage. The supply of freshwater relative to the growing demand from agriculture, industry and households is becoming an acute problem in small island developing States generally. Added to this is the growing competition of limited water resources from tourism, which is extremely water-intensive.

17. There is a growing consensus among scientists that global warming is increasing. In small islands and coastal areas in general, the persistence of this trend would cause the inundation of coastal and some inland areas, threatening sanitation systems and freshwater supplies as seawater infiltrates subterranean water tables, with possibly catastrophic consequences for island tourism.

IV. Looking to the future: priorities and policy needs

18. Experience has shown that integrating international tourism development with sustainable island development requires the ability to bring into play the following factors, among others, over the short and medium terms: (a) a social climate and natural and cultural tourism resources attractive to international tourists; (b) international/regional accessibility in terms of distance, time, price and adequate means of transport for the targeted tourism sector; (c) the capacity of infrastructure, services and accommodation quality to underpin suitable expansion of tourism activities in traditional or newly established tourism centres; (d) availability of investment capital for island tourism development; (e) human resources (businessmen, professionals, labour); and (f) political and operational preparedness to support tourism on the part of the island Government.

19. Many conventional models of tourism have become obsolete over the past 30 years, not only because of the limitations intrinsic to their life cycles and economic inefficiencies over the medium term, but also because of their impact on the cultural identity and quality of life of island societies. Integrated and environmentally and culturally conscious tourism planning can make tourism compatible with the conservation of the main ecosystems and with the preservation of historical-cultural heritage. Increasing community participation in decision-making is critical to achieving social and environmental objectives. Furthermore, it is important to ensure that financial resources are available. This can be achieved through direct government policies, joint ventures with local private initiatives, and foreign investment from regional and international public and private banks.

20. In order to orient tourism and island development towards sustainability new criteria, instruments and lines of action must be created and implemented, taking into account tourism carrying capacity. A positive interaction should be sought between tourism and environmental, sociocultural and economic factors, requiring integrated long-term strategies. Delaying the introduction of policies to promote sustainable tourism until the emergence of economic problems and cultural or environmental degradation can make it very difficult to take corrective actions.

21. Specific policies and measures for enhancing economic benefits from tourism include (a) diversifying the tourism product, enhancing its quality and increasingly targeting the upper segment of the tourist market; (b) strengthening linkages of other economic sectors with tourism so that domestic production can viably provide for the consumer needs of tourists to the maximum extent possible; (c) increasing the participation of nationals in the tourism sector by encouraging domestic investments, and, as necessary, joint ventures with foreign investors, so as to minimize the proportion of profits generated by the tourism sector that are repatriated by foreign investors; (d) encouraging the maximum use of local materials in resort construction so as to reduce the imports of construction materials; (e) increasing investments in the training of local people for the tourist industry in order to reduce dependence on foreign entities, particularly in the area of overseas

promotion and marketing, ground handling and domestic operation of tourism services; (f) minimizing financial incentives granted to foreign investors, by reducing national risks.

22. Measures for coping with the adverse social and cultural impacts of tourism include (a) efforts to keep the ratio of the visitor population to the local population at an acceptable level through appropriate diversification of the tourism product and the tourist market, particularly if mass tourism has been promoted for a long time in the past; (b) effective educational programmes to raise the awareness of the local population about the good and bad aspects of tourism; (c) effective countrywide security measures against crime and drugs, particularly in areas most frequented by tourists.

23. Measures for coping with environmental impacts include (a) development of a multidisciplinary approach for rigorous vetting of tourism development proposals, taking into account prospective cumulative impacts of tourism development, and establishment of environmental standards for approval of projects; (b) appropriate review and revision of existing taxes and subsidies to ensure that they are in fact conducive to sustainable development, and development of additional economic instruments to better internalize environmental costs; (c) imposition of appropriate user fees for the use of national terrestrial land marine parks and reserves, and earmarking the accrued receipts for purposes of improvement and management of sensitive areas; (d) inducing the tourism industry, through appropriate user charges, to meet the full cost of freshwater that it uses, and to contribute adequately to solid waste management and cleaning of beaches; (e) implementing a sustainable marketing strategy in cooperation with all partners involved in the tourism industry; and (f) encouraging voluntary initiatives and adherence to codes of conduct by the business community.

24. The foregoing national measures need to be supplemented by measures at the regional level, including (a) the implementation of a sustainable marketing strategy at the regional level, and (b) the adoption of uniform incentives at the regional level to reduce competition among small island developing States to attract foreign capital. National and regional measures need to be supplemented by international measures, including (a) provision of international assistance for the development of basic physical infrastructures, such as airports and harbors, roads, telecommunications systems and freshwater systems to small island developing States, especially the least developed among them; (b) provision of assistance to regional tourism organizations in order to increase their effectiveness; and (c) formulation, ratification and enforcement of a universal or at least a regional code of conduct for the tourism sector at the intergovernmental level.

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Annex I

Major initiatives for sustainable tourism development in small island developing States, by location

Location	*Goals*	*Favourable key factors*	*Problems encountered*	*Measures adopted*	*Successful outcomes*
Mauritius	To enhance cohesion among economic development, sociocultural change and island ecology	Island natural and cultural resources Ready air access Readily available funding Developed infrastructure and complexes	Severe environmental impact (mainly along the coast)	Establishment of the Ministry of the Environment and Quality of Life Initiatives designed to enhance cohesion among sectors of the economy Master tourism plan to ensure sustainability Legislative measures for conserving the environment in tourism areas	Intense tourism development Diversification of island economy
Maldives	Rapid tourism development: planning of physical plants and incentives for foreign capital investment and reduction of environmental impact	"Isolated tourism enclave" model Easy air access Long-term foreign financing for sector development	Little integration between tourism and the rest of the island economy Insufficient employment of the island population in the sector Severe environmental impact	Partial moratorium on tourist accommodations Regulations strengthened Environmental Protection and Conservation Act enacted Environmental impact studies carried out and work on development indicators initiated Measures put in place for the protection of coral reefs and coastal systems and the conservation of ecosystems	Impact of foreign cultures contained Rapid development of the sector Contribution to the economy: 30 % of government revenue, 11 % of jobs, 33 % of immigrant employment

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Location	*Goals*	*Favourable key factors*	*Problems encountered*	*Measures adopted*	*Successful outcomes*
Dominican Republic	Promoting tourism development in the island	Human, natural and cultural assets Long-standing tradition of tourism and financing of tourism facilities	Infrastructure shortage Social imbalance and migration Adverse environmental impact and landscape degradation Proliferation of unplanned settlements	Construction of hotels on the seafront Large private purchases of cheap land in undeveloped locations, private sector taking responsibility for building access and local transport infrastructure Expropriation of 160 hectares, financing and infrastructure development by the World Bank, subsequent sale of land to promoters	Increased number of visitors Socio-economic development boosted (48% of foreign exchange) Significant direct and indirect employment created
South Pacific islands micro-States	Controlled expansion of the sector with a commitment to alternative sustainable tourism development	Novel alternative to the mass tourism model Criteria: adaptation to local realities, preservation of natural and cultural heritage	Difficulties relating to access to the islands Limitations and fragility of the islands' environment Vulnerability to natural disasters	Maintenance of indigenous activities and self-supporting family agriculture Incentives for involvement in local business and for integration with the rest of the island economy Strategies to control growth of sector development in balance with the islands' infrastructure, values, cultures	Slow, controlled growth Contribution to the economy: 6% of revenues 10-15% of employment in 1993

Location	*Goals*	*Favourable key factors*	*Problems encountered*	*Measures adopted*	*Successful outcomes*
Bonaire (Netherlands Antilles)	Promotion of tourism without overloading the island's carrying capacity	Well preserved natural scenery Good climate all year round Uncrowded living environment Hospitable nature of its local community	Visible environmental impact along the coast	Tourism master plan Measures to protect the island's natural systems Promotion of measures to provide for the tourist market A seven-year moratorium on new construction Incentives for the modernization of the existing facilities Encouragement of use of local resources Information for preserving ethnic cultures Legal, institutional and organizational changes	Environmental impact minimized Sector prospered

Source: F. Pratz, "Tourism, environment and sustainable development in islands: 15 ideas and nine cases for debate", paper presented at an international conference on sustainable tourism in small island developing States and other islands, Lanzarote, Canary Islands, October 1998.

Annex II

Major initiatives for sustainable tourism development in small island developing States, by target area

Target area	*Country/geographical area/organization*	*Action planned/taken*	*Realized/expected outcomes*
Regional cooperation	Caribbean region	Finalization of the Cartagena Convention in the wider Caribbean region	Prevention, reduction and control of marine pollution from land-based sources and activities
	OECS/Eastern Caribbean	Creation of a technical committee on sustainable tourism development in 1998	Strategy and plan of action for the development of sustainable tourism in the Caribbean
	Caribbean islands	Establishment of a code of conduct for the prevention of pollution from small ships	Compliance to the requirements of the MARPOL 73/78 Convention
Use of economic instruments	Bonaire Marine Park (Netherlands Antilles)	Levying of admissions fees on scuba divers	Generation of revenue to support ongoing active management of the park natural ecosystems, as well as educational activities for divers; minimization of the impact on reefs
	Seychelles	Plan to introduce a US$ 90 tax on travellers	Generation of revenue to preserve the environment and improve tourism facilities
Capacity-building	Asia and Pacific region (Economic and Social Commission for Asia and the Pacific)	Establishment of Asia-Pacific Education and Training Institute in Tourism	Self-financing through the levying of admissions fees on scuba divers; fees support ongoing active management of the park natural ecosystems, as well as educational activities for divers
	Caribbean (UNEP)	Development of the Caribbean Environment Network by the Consortium of Caribbean Universities for Natural Resources Management	Provision of special training to civil servants and private entrepreneurs on the main scientific principles governing coastal areas
	Jamaica (USAID funds)	Implementation of environmental audits for sustainable tourism by the Jamaica Hotel Association	Increased environmental awareness of the hotel sector and technical skills of Jamaicans performing the audits

Target area	*Country geographical area organization*	*Action planned taken*	*Realized expected outcomes*
Policy and strategy at national level	Cyprus	Introduction of a new tourism development policy (1990) and further measures in 1995	Controlled development, diversification and enrichment of the tourism product, protection and enhancement of natural, social and cultural environment
	Saint Lucia	Formulation of policies for the tourism product; a five-year strategy and millennium action plan	Successful marketing of Saint Lucia as a tourist destination, effective guidance to the tourism industry, including priority actions by the industry for environmental protection
	Solomon Islands/Marovo Lagoon Community	Ecotourism association established by the community	Concentration of development on local enterprises, such as ecotourism lodges and sustainable fisheries ventures
Participation of local communities	Saint Lucia	Involvement of a locally based NGO in the management of the Soufrière marine management area	A study to identify and design appropriate regulatory instruments, alongside a national process leading to the development of an overall legislative base for management of Saint Lucia's coastal zone
	Jamaica/Blue and John Crow National Park	Involvement of local communities in advising park managers through local advisory committees	Gradual development of tourism in the park, as one means through which the park can generate revenues

Source: UNEP data.

Annex III

Selected indicators of tourism in small island developing States

Countries or areas	*Tourist receipts population, 1996 (United States dollars)*	*Tourist receipts as percentage of exports of goods and services, 1995*	*Tourist receipts as percentage of GDP, 1995*	*Tourist receipts: average annual growth rate, 1993–1997 (percentage)*
Africa				
Cape Verde	26	12	2.5	2.67
Comoros	420	46	8.3	5.74
Mauritius	441	18	13.2	10.85
Sao Tome and Principe	15	..	3.6	0.00
Seychelles	1 338	36	22.3	1.27
Caribbean				
Antigua and Barbuda	3 671	..	62.8	-1.57
Aruba	6 913	26	..	5.11
Bahamas	5 179	76	38.2	3.73
Barbados	2 537	58	39.8	7.95
Cuba	111	..	7.2	20.43
Dominica	514	..	19.1	6.28
Dominican Republic	232	28	18.1	14.02
Grenada	667	..	27.5	6.17
Haiti	11	42	3.8	0.63
Jamaica	430	34	24.0	4.68
Netherlands Antilles	..	..	..	..
Saint Kitts and Nevis	1 675	..	164.4	0.72
Saint Lucia	1 681	..	68.0	5.13
Saint Vincent	582	37	23.3	10.25
Trinidad and Tobago	823	3	1.3	7.46
United States Virgin Islands	66 800	..	..	-9.65
Mediterranean				
Cyprus	2 257	43	25.7	3.68
Malta	1 717	22	22.2	1.57
Asia/Pacific				
Bahrain	437	5	5.6	4.03
Cook Islands	2 500	..	64.3	10.95
Fiji	3 738	26	17.0	8.17
Kiribati	13	..	2.4	18.92
Maldives	985	66	4.0	18.41
Marshall Islands	50	..	4.2	7.46
Micronesia (Federated States of)	..	..	..	..
Nauru	..	..	..	..
Niue	100	..	..	..
Palau	..	..	..	..

Countries or areas	*Tourist receipts/ population, 1996 (United States dollars)*	*Tourist receipts as percentage of exports of goods and services, 1995*	*Tourist receipts as percentage of GDP, 1995*	*Tourist receipts: average annual growth rate, 1993-1997 (percentage)*
Papua New Guinea	155	2	1.3	12.47
Samoa	229	56	19.4	17.48
Singapore	2 627	6	15.2	6.16
Solomon Islands	33	..	2.6	21.32
Tokelau	..	..	..	..
Tonga	130	..	8.2	8.78
Tuvalu	30	..	..	..
Vanuatu	294	53	32.8	-1.87

Source: World Tourism Organization.

Note: Two dots (..) indicate that data are not available or are not reported separately.